



HANNANS REWARD

Exploring for Gold and Base Metals

ASX Announcement / Media Release

25 February 2010

Forrestania Project Update

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 128m

Options on issue: 12m (ex 20c – 80c)

Market cap: \$27m

Cash & Equities: \$21 ½ m

Financial Position

Cash on hand: \$5m

Value of ASX Listed

Equity Positions: \$16 ½ m

Board of Directors

Richard Scallan Chairman

Damian Hicks Managing Director

William Hicks Non-Executive Director

Jonathan Murray Non-Executive Director

Major Shareholdings

Atlas Iron Ltd 8.13 m FPO

Projects (Western Australia)

Forrestania Nickel & Gold

QVR Nickel

Lake Johnston Nickel & Gold

Jigalong Manganese

- Technical team responsible for designing and implementing Forrestania exploration strategy continues to be strengthened
- Next phase of reverse circulation (RC) drill testing of priority geological/geochemical/geophysical targets scheduled to commence in March, pending Government approvals - approximately 20 holes for 5,000 metres
- Drilling to occur within the interpreted northern extension of the western ultramafic unit that hosts the high grade Flying Fox nickel sulphide mine approximately 7km to the south
- Geological and geochemical review identifies several previously unidentified ultramafic units increasing prospectivity of the wider Forrestania Project
- Ground electromagnetic (EM) surveys designed to refine VTEM anomalies completed this week
- Geophysical interpretation and modelling of VTEM, moving loop EM and fixed loop EM continues to generate additional areas of interest within Stormbreaker corridor
- Multiple co-ordinated field programs to continue throughout 2010

Western Australian minerals explorer Hannans Reward Ltd (ASX:HNR) believes its Forrestania nickel sulphide project continues to be strengthened with the involvement of additional key experienced technical professionals, access to increasingly prospective exploration acreage and a balance sheet that enables a methodical exploration process to be employed without short term capital raising requirements.

Assisting Hannans' Exploration Manager Amanda Arrowsmith with the development of the Forrestania Project are key technical professionals Mr. Don Huntly (geologist), Mr. Ben Jones (geophysicist) and Dr. Nigel Brand (geochemist). Mr. Huntly and Mr Jones were previously employed by Xstrata Nickel Australasia as Exploration Manager and Chief Exploration Geophysicist respectively. Prior to this, both Messrs Huntly and Jones were with Jubilee Mines Ltd where they worked with Dr. Brand in his role as a consultant to Xstrata and Jubilee.

Since commencing with Hannans in early 2010 the expanded technical team has worked towards improving the geological understanding of the Forrestania Project, reviewing the exploration data sets compiled by Hannans and previous explorers and planning the future exploration strategy. This has resulted in a significantly improved geological understanding of the Project, which is well located within the world-class Forrestania nickel sulphide belt.

There is no doubt that the Forrestania belt is highly mineralised. Hannans' Forrestania Project is located primarily on the interpreted northern extension of the western ultramafic that hosts the high grade nickel sulphide mines to the south and has a number of ultramafic units confirmed within it. Historically, minimal targeted nickel sulphide exploration has taken place within Hannans Project.

Hannans has completed an extensive VTEM survey as well as a number of follow up ground TEM surveys, and expects to commence the next phase of reverse circulation drilling in March; approvals to commence drilling were lodged with the Department of Mines & Petroleum in early February 2010. The RC drill programme will comprise approximately 20 RC drill holes for 5,000 metres of drilling at an estimated cost of \$550,000. The RC drilling has been prioritised on a combination of geological, geochemical and geophysical anomalies (Refer Figure below).

Additional surface / regolith sampling is also being planned to identify areas of interest where highly conductive banded iron formations may be masking subtle geophysical responses representing possible bedrock conductor targets.

Hannans remains well funded to complete multiple phases of exploration at Forrestania during the course of the year with cash reserves of \$5 million and an investment in Atlas Iron Ltd valued at approximately \$16 ½ million.

Hannans shareholders have excellent upside exposure to exploration success at Forrestania and limited downside risk at current levels.

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Hannans Reward Limited Summary

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering nickel, gold and manganese whilst the flagship exploration is the Forrestania nickel project located in the world class Forrestania nickel belt. Hannans has joint ventures with Vale, St Barbara Ltd and Triton Gold Ltd. Hannans is the ninth largest shareholder

of Atlas Iron Ltd. Hannans' shareholders are exposed to share price appreciation through exploration success at the following projects:

- Forrestania – nickel & gold project 7km north of Western Area's Flying Fox nickel mine
- Lake Johnston – nickel & gold project located 25km south east of Norilsk's Maggie Hays nickel mine and 100kms west of Norseman
- Jigalong – manganese & base metals project located 150km east of Newman, WA
- Queen Victoria Rocks - joint venture with Companhia Vale do Rio Doce (Vale), 30km south-west of Coolgardie, WA
- Sunday – gold joint venture with Triton Gold Ltd, 10kms east of Leonora, WA

Competent Persons Statement

The information in this document that relates to exploration results is based on information compiled by Mrs. Amanda Arrowsmith, Exploration Manager, Hannans Reward Ltd who is a Member of the Australian Institute of Mining and Metallurgy. Mrs. Arrowsmith is a full-time employee of Hannans Reward Ltd. Mrs. Arrowsmith has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mrs. Arrowsmith consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

